

I. APPLICANT OVERVIEW

The Majestic Star Casino, LLC, a wholly owned subsidiary of Barden Development, Inc., (BDI) operates the Majestic Star Casino, a riverboat gaming facility located at Buffington Harbor in Gary, Indiana. The original corporation Barden PRC - Gary, LLC was incorporated on December 8, 1993, and was later changed to Majestic Star Casino, LLC. On June 3, 1996, Majestic Star Casino, LLC was issued an Indiana Riverboat Owners License.

On June 7, 1996, the Majestic Star Casino began operation in a leased vessel, the "New Yorker". The New Yorker contained approximately 20,000 square feet of casino space, 875 slot machines and 55 gaming tables on four decks. On October 27, 1997, the vessel was replaced with the current vessel the Majestic Star Casino. The Majestic Star Casino was put in service at a cost of approximately \$50.1 million and contains approximately 43,000 square feet of casino space, 1,423 slot machines and 51 table games on three decks.

The Buffington Harbor complex is owned by Buffington Harbor Riverboats, LLC, (BHR) a joint venture which is owned equally fifty percent (50%) by Trump Indiana, Inc and Majestic Star Casino, LLC. These corporations together created BHR to operate common facilities such as the guest pavilion, vessel berths, parking lot and other infrastructure. AMB parking, LLC, (a company owned by Mr. Barden) and Trump Indiana Inc., formed Buffington Harbor Parking Associates (BHPA) to solely operate the parking garage facility.

Majestic Investor, LLC was formed in September 12, 2000, as an unrestricted subsidiary of Majestic Star Casino, LLC. Majestic Investor, LLC was initially formed to satisfy the applicant and BDI off-site development obligation under the development agreement with the City of Gary and currently is a party to a purchase agreement to acquire certain assets of Fitzgerald's Gaming Corporation.

Majestic Investor, LLC plans to purchase Fitzgerald's casinos, which are located in the following cities: Las Vegas, Nevada, Tunica, Mississippi, and Black Hawk, Colorado. The negotiating price is \$149 million in cash, subject to adjustment under certain circumstances, plus the assumption of certain liabilities. To facilitate this transaction, Fitzgerald's Gaming Corporation and its subsidiaries voluntarily filed for Chapter 11 Bankruptcy in U.S. District Court in Nevada on December 5, 2000. The sale was approved by the Bankruptcy Court on March 19, 2001. It remains contingent on, among other things, licensing and financing.

II. CORPORATE PROFILE

The applicant is one hundred percent (100%) owned by Don H. Barden, chairman, president and chief executive officer. The key corporate officers for Majestic Star Casino are Michael Kelly, executive vice president, chief operating officer, and chief financial officer. David Wolf, is vice president of administration.

Don H. Barden owns one hundred percent (100%) of Barden Development, Inc., which owns one

hundred percent (100 %) of Majestic Star Casino, LLC. As of July 24, 2001, Majestic Star Casino, LLC owns one hundred percent (100%) of Majestic Investor, LLC. The applicant entered into management agreement on June 18, 1999, with Barden Development, Inc. to provide for, management services payable to Barden Development, Inc. for acting as the manager. Majestic Investor, LLC was initially formed to satisfy the Majestic Star Casino, LLC off-site development obligations under the development agreement with the City of Gary. The Majestic Star Casino Capital Corporation listed as a "C" Corporation was formed to facilitate the offering of 10-7/8% Senior Secured Notes that are due 2006. Majestic Investor is considered an "unrestricted subsidiary" of the Majestic Star Casino under the indenture relating to the company's 10-7/8% Senior Secured Notes due 2006.

BHR, is a joint venture which is owned equally fifty percent (50%) by the Trump Indiana, Inc. and Majestic Star Casino, LLC.

In September 2000, Don H. Barden, through an affiliated company, Gary New Century, LCC (GNC), purchased for \$25 million, approximately 190 acres of land adjacent to the Buffington Harbor Complex. The land had formerly been leased by BHR from Lehigh Portland Cement. A portion of the land was sold by GNC to Buffington Harbor Parking Associates (BHPA) for \$15 million. BHPA intends to construct and operate a parking garage on the purchased land. The parking structure is expected to provide customers with approximately 2,000 covered parking spaces and indoor access to the Buffington Harbor Gaming Complex.

III. INDIVIDUAL PROFILE

Information in this section was obtained from the application, record checks and personal interviews. The following individuals submitted personal disclosure forms and background investigations were conducted.

The Majestic Star Casino, LLC is 100% owned by Barden Development, Inc. The individuals who were identified as having day-to-day control of the corporate operations are: Don H. Barden, chairman of the board, and chief executive officer; Michael E. Kelly, executive vice president, chief operating officer and chief financial officer, and David W. Wolf, vice president of administration. The corporate officers for the Majestic Star Casino, LLC have not changed since the 1994 investigation.

Don H. Barden was interviewed on July 20, 2001, at the Indiana Gaming Commission conference room in Indianapolis, Indiana. The duration of the interview was approximately one and one-half hours. Mr. Barden was born in Detroit, Michigan on December 20, 1943. He attended Central State University in Wilbur Force, Ohio from 1962 to 1963. Mr. Barden has several business interests, which include real estate, cable television, radio and a music recording company. Mr. Barden does not hold any gaming licenses and prior to The Majestic Star Casino, LLC., he had no gaming experience. Mr. Barden is married and resides in Detroit, Michigan with his wife and daughter.

Michael E. Kelly was interviewed on July 17, 2001, at the Indiana Gaming Commission

conference room in Indianapolis, Indiana. The duration of the interview was approximately two and one-half hours. Mr. Kelly is the executive vice president, chief operation officer and chief financial officer and also serves as the general manager for Majestic Star Casino, LLC. Mr. Kelly joined Majestic Star Casino, LLC. in April 1996 as a vice president and chief financial officer. After a period of time he was promoted to his current positions. Mr. Kelly assumed the responsibility for management of daily operations and related activities of the company on October 17, 1998. Mr. Kelly is a vice president of Majestic Star Investor, LLC. Mr. Kelly has also served in the capacity of vice president, chief financial officer, and senior director of operations for several gaming facilities during his working career.

Mr. Kelly was born in Philadelphia, Pennsylvania on December 18, 1961. He attended Villanova University in Villanova, Pennsylvania from 1979 to 1983 and graduated with a Bachelor of Science degree in Business Administration. Mr. Kelly held gaming licenses in New Jersey and Nevada. Both gaming licenses are expired. Mr. Kelly holds a level one gaming license in Indiana (MJ-1172-L1). All of the gaming licenses were found to have no derogatory entries. Mr. Kelly is single and resides in Chicago, Illinois.

David W. Wolf was interviewed on July 17, 2001, at the Indiana Gaming Commission conference room in Indianapolis, Indiana. The duration of the interview was approximately forty-five minutes. Mr. Wolf is the vice president of administration for Majestic Star Casino LLC.

Mr. Wolf joined Majestic Star Casino LLC., in February 1997 as the director of finance. On March 1, 1999, Mr. Wolf was promoted to vice president of administration. Mr. Wolf was born in Riverside, New Jersey on February 3, 1957. He attended Rider University in Lawrenceville, New Jersey from 1975 to 1980 and graduated with a Bachelor of Science degree in Commerce. Mr. Wolf held a gaming license in New Jersey that has expired. Mr. Wolf holds a level one gaming license in Indiana (MJ-1852-L1). All gaming licenses were found to have no derogatory entries. Mr. Wolf is married and resides in Munster, Indiana with his wife and daughter.

IV. DOCKSIDE PROPOSAL

“The Majestic Star” was put into service in October 1997, replacing the temporary leased vessel the "New Yorker Vessel". The New Yorker Vessel was previously used for luxury dinner cruises, sightseeing, and excursions in the New York City area. The New Yorker Vessel was renovated and equipped for gaming by the President Riverboat Casinos, Inc. The New Yorker Vessel contained approximately 20,000 square feet of casino space, 875 slot machines and 55 gaming tables on four decks.

The Majestic Star was built by Atlantic Marine. It is the only vessel with a V shape hull operating on Lake Michigan today. It has 43,000 square feet of public gaming space on three (3) levels. This does not encompass the lower level where many of the offices and support functions are located. At any given time there are a total of 1,423 slot machines on the three gaming levels of the vessel. Fifty- one slot machines are located on level one of the vessel. The vessel has an atrium-style atmosphere and is equipped with widows. The vessel offers elevators for moving

all passengers. The Majestic Star is the only vessel that offers a full service lounge on board. All three decks provide restroom facilities with accessibility to individuals with disabilities. “The Majestic Star” is designed with a mechanical platform and ramp to provide access to and from the boat to the river stage. It is also designed for passenger capacity of 3,000, crew capacity of 500, and a grand total of passengers and crew of 3,500.

V. CASINO MANAGEMENT

The Majestic Star Casino, LLC was incorporated in the State of Indiana on December 8, 1993. On June 7, 1996, Majestic Star Casino commenced operations at Buffington Harbor, Gary, Indiana. The Majestic Star Casino, LLC current casino management positions are as follows:

Don H. Barden	President and Chief Operating Officer
Michael E. Kelly	Vice President & General Manager, Chief Operating and Financial Officer
David M. Wolf	Vice President of Administration

The Majestic Star Casino management personnel are as follows:

Jeff Bauer	Vice President of Marketing
Mark Bennett	Director of Slot Operations
Jamie Nelickt	Manager of Marine Services
Eric Pack	Manager of Marine Services
Sylvia Massionet	Director of Guest Service Manager
Jim Bjes	Director of Security
Gerri Potter	Director of Surveillance
Theo Smith	Director of Table Games
Judith Talbott	Director of Human Resources

VI. GAMING PROPOSAL

Boat Capacity:

Patrons: 3,000
Crew: 500

Slot Machines:

Level 3: 653
Level 2: 532
Level 1: 238
Total : 1,423

Table Games:

	<u>Level 1</u>
BlackJack	28
Craps	4
Roulette	4
Let It Ride	1
3 Card Poker	2
Big Six Wheel	1
Caribbean Stud Poker	4
Baccarat	2
Spanish 21	1
21 Madness	2
Pai Gow	<u>2</u>
Total	51

Majestic Star's Cruising/Gaming Schedule:

Majestic Star operates seven (7) days per week as approved by the Indiana Gaming Commission. Cruises commence at 8 AM and the last cruise begins at 2 AM. The duration of each cruise is 2 hours.

VII. CITY

On June 13, 2001, an interview was conducted with Mayor Scott King of Gary, Indiana. Mayor King indicated the original proposals made by Majestic Star Casino, LLC have been successfully completed and fulfilled. Majestic Star Casino has made no new proposals to the city since the original application. Mayor King stated that the Majestic Star Casino has become one of the major employers for the city. Mayor King is very pleased with the actions and efforts of the Majestic Star Casino LLC.

There are no obligations between Lake County and Majestic Star Casino, LLC.

VIII. LAWSUITS

The Majestic Star Casino LLC. is a party to approximately fifty-six (56) active lawsuits. Many of these actions are in various stages of settlement. Forty-four (44) are personal injury (slip and fall) type. Twelve (12) are labor/employment related EEOC claims by former employees. All claims are pending. The largest claim entered by a former employee is one hundred thousand dollars (\$100,000.00).

IX. INVESTIGATIVE ISSUES

Majestic Star Casino, LLC has received three (3) disciplinary actions from the Indiana Gaming Commission. On January 22, 1998, the Commission initiated two (2) disciplinary actions against Majestic Star Casino in complaints #98-MS-1 and #98-MS-2. The first complaint was initiated for falsification of RG-1, failure to immediately commence investigation of negative chip float, failure to rotate reserve chips, insufficient camera coverage, and failure to check trash from soft count. In March 1998 this violation was resolved by a settlement agreement in the amount of \$110,000.

The second complaint was for failing to keep an accurate log of the ingress to and egress from the hard count room and soft count room, failing to keep an accurate log of visitors' entry, and failing to keep an accurate sensitive key control log. In March 1998, this violation was resolved by a settlement agreement in the amount of \$10,000. On September 30, 1999, the Commission initiated a disciplinary action against Majestic Star Casino in complaint #99-MS-1. The complaint was initiated for failure to have an EMT on board when patrons were present and failure to cruise. In November 1999, this violation was resolved by a settlement agreement in the amount \$2,500.

A disciplinary action is pending against Majestic Star Casino, LLC for making improper personnel changes that could have jeopardized the assets. This resulted in the riverboat being shut down for a period of time, this action occurred in July 2000.

X. COMMISSION NOTES